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**From:**

**Sent:** Friday, February 20, 2009 5:01:27 PM

**To:**

**Cc:**

**Subject:** RE: IRC 108(c)

to answer your question – yes. The term at issue is “qualified real property business indebtedness.” If the indebtedness was incurred by the taxpayer in connection with real property used in a trade or business --- it qualifies. Whether it’s residential or non residential is irrelevant. The distinction is between personal use and business use. If I owned rental property (not my principal residence, which would be personal use), in general, that rental property is ok under section 108(c). Some taxpayers may own rental property but if they use that property for personal use for more than 14 days it no longer qualifies as business property. See section 280A(d). I hope this helps. Feel free to contact me at anytime. My phone number is .